3.8 Setting Functional Objectives: Marketing, Operations, Finance, HR: 10-minute Pack

AQA 7132 · Calculators not allowed · about 10 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions. Write full sentences for questions worth 3 marks or more. Use the case contexts given in prompts where provided. Show working for any numerical reasoning.

1 Identify which functional area is most likely to set a target of 'reduce machine downtime by 15% this year'.

- ☐ A) Finance
- ☐ B) Operations
- ☐ C) Marketing
- ☐ D) Human resources

(Total for Question 1 is 1 mark)

2 State two internal factors that will shape HR functional objectives when aligning with corporate strategy.

(Total for Question 2 is 2 marks)

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3 Explain one example of a conflict between a marketing functional objective and a finance functional objective, and state the consequence of that conflict for the business.

(Total for Question 3 is 3 marks)

4 Explain one advantage to a finance department of using SMART objectives, for example 'improve net cash inflow to at least £12,000 per month within six months'.

(Total for Question 4 is 3 marks)

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Mark scheme · 3.8 Setting Functional Objectives: Marketing, Operations, Finance, HR: 10-minute Pack

Question 1

B cao **B1**

Answer: B

Question 2

available HR budget or financial resources **B1**

existing workforce skills and current staff numbers or organisational structure **B1**

Answer: Any two, for example: the HR budget and the current skills mix or staff numbers in the organisation.

Question 3

identifies a conflict, e.g. marketing wants increased advertising spend to grow market share while finance wants to cut costs **B1**

develops the conflict, e.g. increased spending reduces short-term profits or cash available to finance **B1**

links to a consequence, e.g. potential underfunding of other areas, missed profit targets or delayed investments **B1**

Answer: For example, marketing may push for higher advertising spend to grow market share while finance seeks cost cuts; this reduces short-term profit or cash and can lead to underfunding of other projects or missed profit targets.

Question 4

identifies an advantage, e.g. provides clear, measurable targets for monitoring cash performance **B1**

develops the point, e.g. the finance team can produce monthly cash forecasts and compare actuals to the target **B1**

links to an outcome, e.g. this allows early corrective action such as arranging short-term finance if targets are missed **B1**

Answer: A SMART cash-flow target gives clear measurable criteria so finance can forecast monthly cash, compare actuals to the target and take corrective action, such as arranging short-term finance, if the target is missed.

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